GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:869
ANSWERED ON:04.03.2005
DECLINE IN COLLECTION OF DIRECT TAX
Adhalrao Patil Shri Shivaji

Will the Minister of FINANCE be pleased to state:

(a) whether there has been a dip in revenue collection of direct taxes;

(b) if so, the comparative figures of tax collected from various sectors till date as compared to corresponding period of previous year; (

(c)whether the Government has found out the reasons for such steep decline in the collection of direct taxes; (

(d) if so, the details thereof; and (

(e) the steps taken by the Government to meet the targets fixed during the year 2004-05?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a)& (b) No Sir. Revenue collection of direct taxes has grown by 27.11% up to 15th February of the current year over the collections made during the corresponding period of preceding year. The comparative figures of tax collected are as follows:

(In Rs. Crore)

Head of Tax up to	Collection up to	Collection growth	%age
15.2.2005	15.2.2004		
Corporation Tax	54,436	40,034	35.97%
Income Tax	35,297	30,559	15.51%
Total	89,733	70,593	27.11%

(c) & (d) Does not arise in view of reply to part (a) and part (b) above.

(e) the Government has taken the following steps for meeting the Budget Target of direct taxes:

1.Constitution of a Task Force to develop and implement multi-pronged strategy for effecting substantial recovery from arrears of direct taxes.

2.Monitoring of advance tax payments by top taxpayers by the senior officers of the Department.

3.Emphasis on collection out of arrears of taxes and monitoring of the cases of top defaulters by the senior officers of the Department.

4.Review of assessment orders by the supervisory authorities to ensure proper and fair determination of taxes.

5.Selection of cases under scrutiny based on objective financial indicators.

6.Computerization of the Departmental business processes and databases for linking of information and reporting of high value transactions.

7Encouragement to voluntary tax-compliance through better taxpayers service through-

time-bound refunds including electronic credit of refund in the taxpayer`s bank account(ECS),
quick grievance-redressal system including call-center support for PAN related grievances,
e-filing of PAN application, on line preparation of return, e-filing of return, etc.

simplification of TDS returns, forms and procedures.
Dematerialization of tax-payment challans and simplification of procedure for payment of tax through implementation of Online Tax Accounting System(OLTAS).

8.Multi-media campaign to encourage voluntary compliance of tax laws.

9.Increased efforts for widening of the tax base.